© Entire contents copyright 1989 by Crain Communications Inc. All rights reserved.

$2.00 a copy; $74 a year

NEWSPAPER

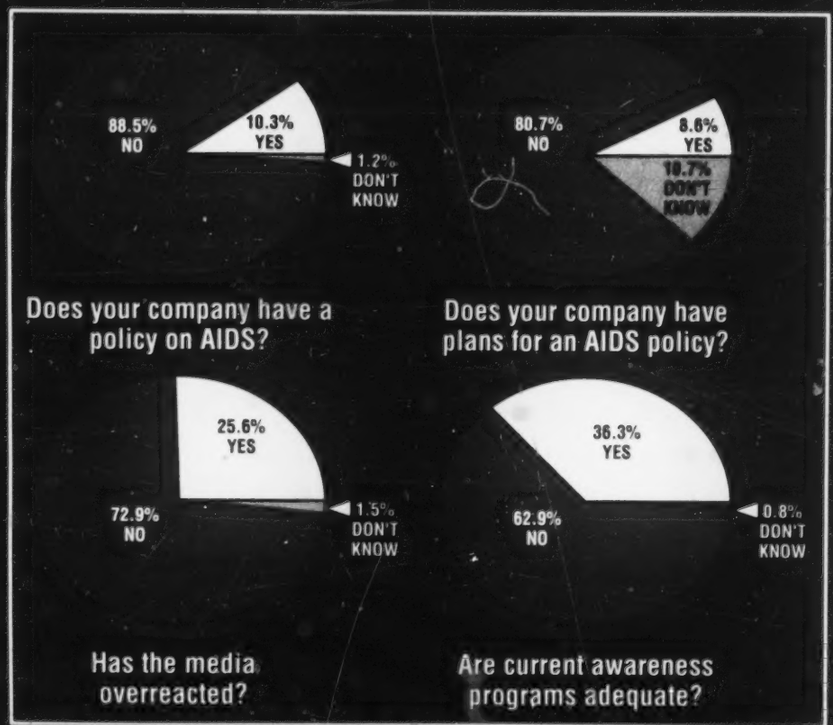
April 3, 1989

Advertising Age

Crain's International Newspaper of Marketing.

AIDS

AA survey shows workplace concern



By THOMAS J. TYRER

Advertising, marketing and media executives who've lost employees to acquired immune deficiency syndrome feel less threatened by the disease than those who haven't, an Advertising Age survey reveals.

In the first poll of AIDS attitudes and policies that concentrates on these fields, culled from Ad Age's subscriber list, 78% of executives who have had workers who died from AIDS said they would hire an "openly homosexual" candidate today, vs. 50% of those who haven't lost any employees to AIDS.

Of those executives surveyed, 9% said they'd lost at least one employee to AIDS.

The survey also found that, compared with executives who haven't lost an employee to the disease, those who have are more likely to:

- Hire someone from one of the AIDS "high-risk" groups.
- Allow an employee with AIDS to continue working.
- Believe an employee with AIDS won't cause co-workers to consider quitting their jobs.
- Believe AIDS *cannot* be transmitted through casual contact.

Still, despite warnings that companies without formal AIDS policies may be leaving

(Continued on Page 22)

AmEx card on the road downscale

By JUDITH GRAHAM

NEW YORK—The American Express card, long considered a symbol of affluence, is stepping into the world of fast-food chains and discount stores.

In a surprise move, the once upscale-only marketer is testing use of the card at a Domino's Pizza outlet in New York and is holding discussions with McDonald's Corp., Burger King Corp., Wendy's International, Pizza Hut and other vendors.

American Express Travel Related Services Co. executives said the company likely will start a test with a major fast-food chain this year.

AmEx's 200-member sales force is also trying to sell discount retailers such as Wal-Mart Stores, K mart Corp. and Target Stores on the card's advantages despite its high merchant charges.

While AmEx has been expanding beyond its traditional travel and entertainment base since the late 1970s, the move into mass-market outlets heralds a new phase of growth and competition with rivals Visa International and MasterCard International.

In essence, the upscale marketer is expanding downscale while trying to maintain its carefully cultivated prestige image.

"Our thinking is that wherever the cardmember wants to use the card, we want to be there, so long as it's legal," said John A. Crewe, VP-marketing, AmEx's Establishment Services Division.

Just last week, the company announced an agreement that

(Continued on Page 58)

Agencies ready for new inflation

An ADVERTISING AGE roundup

Bring on inflation.

Ad agencies likely will suffer less than other businesses if the rate of inflation escalates dramatically, as many economists expect. But that "inflation resistance" has come at a price.

Since the last double-digit inflation spiral in the late 1970s, when many shops actually benefited from media inflation, agencies have suffered from advertisers squeezing compensation, forcing leaner modes of operation.

But this time, they won't be able to fatten up under cover of media-cost inflation, which one agency executive admits was "a bonanza" in years past.

With advertisers already budgeting and compensating more conservatively, and agencies increasingly unsure about where their next billings increase will come from, there's renewed concern about the effects of an inflationary spiral.

"If consumer income does not go up very much and inflation does, then the consumer falls behind, purchasing power drops and advertising budgets come under pressure," said Edward

(Continued on Page 57)

Inside:

Orel Hershiser pitching PepsiCo—P. 2
Will Evian overtake Perrier?—P. 3
P&G expands presence in juices—P. 4
Q&A with FCB's Norman Brown—P. 12

Trio enters Hall

Bernstein, Goldstein, Kroc honored

By GARY LEVIN

NEW YORK—Sensing a return to the days of the traveling medicine salesman "and his entertaining troupe," Advertising Hall of Fame inductee Sidney R. Bernstein said the product is playing "second fiddle to the staging of the sales pitch" in today's advertising.

Mr. Bernstein, chairman of the executive committee at Crain Communications Inc. and one of three industry executives inducted into the Hall of Fame last week at a luncheon here, was introduced by Chuck Peebler as someone who, in his nearly 60 years at ADVERTISING AGE, helped bring the industry out of the days of "hucksterism" and into new levels of professionalism.

Mr. Peebler, ceo of Bozell, Jacobs, Kenyon & Eckhardt, was chairman of this year's council of judges.

"I am completely sold on the role of advertising in the American economy, and I believe that ADVERTISING AGE, in its small way, has contributed considerably toward making advertising more efficient and more effective —and more honest and socially accepted, too," Mr. Bernstein said as he accepted the award.

Robert V. Goldstein, VP-advertising at Procter & Gamble Co., and Ray A. Kroc, founder and chairman of McDonald's Corp., were honored posthumously *(see "Photo Review" on Page 54)*.

"Somehow it's fitting that Bob and Sid and Ray be inducted into the Hall of Fame together," said John G. Smale, P&G chairman-ceo, at the ceremony. "They come from different parts of the coun-

(Continued on Page 63)

Staff photo by Doug Goodman

AD AGE's Sid Bernstein accepts the award from Chuck Peebler (l.), chairman of the council of judges, and Howard Bell (c.), AAF president.

NEWSPAPER

April 3, 1989

Advertising Age®

Crain's International Newspaper of Marketing.

Coke changes tune

Herbert restores brand setup

By PATRICIA WINTERS

Coca-Cola USA is reversing the sweeping changes made in its marketing department last year.

More than 14 months after the changes, which took advertising responsibility away from brand managers, the leading soft-drink company is reverting to its former structure and is expected to name ad director Michael Beindorff to head it.

The changes are being interpreted as a honing of Coca-Cola's structure under Ira C. Herbert, who was appointed Coca-Cola USA president last fall and has been credited with breathing new life into the century-old company.

The moves don't affect Coca-Cola's agency lineup at Interpublic Group of Cos.

Coca-Cola declined to comment on the restructuring, but sources said Mr. Beindorff will head a marketing department reorganized to return ad responsibility to brand managers and group brand directors, formally stripped of those responsibilities last year (AA, Jan. 25, 1988).

Mr. Beindorff, the 37-year-old VP-advertising and associate director of marketing, will be given a new title, probably VP-marketing.

Executives close to the company said the move will effectively make Mr. Beindorff Coca-Cola USA's top marketing man and that the announcement is expected to be made soon, perhaps this week.

"It's a clear signal from Coke," said one source close to the company. "By reorganizing, Coke is leaving Mike Beindorff at the top. This is definitely a vote of confidence in him."

With last year's change, Coca-Cola created a separate advertising department under Mr. Beindorff that handled implementation and had primary contact with ad agencies. The brand managers were put in charge of strategy and development.

The change was described as giving equal weight to directors of advertising and marketing services.

Mr. Herbert, who's spent his career with Coca-Cola and became president after those changes were made, is said to prefer the traditional brand system.

"How can you have marketing and not have advertising? They go hand in hand," one source said. "The old way worked well for Coke for years. [They] tried the new way and liked the old way better."

Although Mr. Beindorff may not get the traditional top marketing title of senior VP-marketing, executives believe his new title "in effect" fills the post left vacant since April 1988 by former Senior VP-Marketing John C. Reid.

Coca-Cola had been searching for a replacement for Mr. Reid both inside and outside the company. Executives interpreted Mr. Beindorff's imminent title change as a signal that he's proved his

(Continued on Page 59)

Last Minute News

Burnett declines Maxwell House invitation

CHICAGO—Leo Burnett Co. will meet with General Foods USA executives on April 7 for a "neutral capabilities presentation" at the request of Philip Morris Cos., but it won't be pitching General Foods' $50 million Maxwell House account, agency insiders said. Philip Morris had asked Burnett to pitch the coffee business, but the agency declined because of the crush of new business and conflict concerns with existing clients. Burnett also is a major agency for Kraft, newly merged with General Foods.

Backer's Holmen will retire July 1

NEW YORK—G. Robert Holmen, 55, Backer Spielvogel Bates chairman-ceo, said he will retire effective July 1. His duties will be shared by Robert H. Lenz, 49, who takes the new post of chairman-executive creative director from president, and Constantine "Dean" Scaros, 43, who becomes president and managing director, from exec VP-director of account management. Carl Spielvogel, chairman-ceo of Backer Spielvogel Bates Worldwide, said further management changes at the agency are expected within the next 90 days.

New York Life formally taps Chiat/Day

NEW YORK—New York Life Insurance has officially named Chiat/-Day agency of record on its $20 million-to-$25 million account after approving the agency's trial creative work. The insurer asked Chiat/-

(Continued on Page 8)

Bozell lands $30M Long John Silver's

By GARY LEVIN and SCOTT HUME

Bozell, Jacobs, Kenyon & Eckhardt enters this week with a new fiscal year, a new name and a new $30 million account.

The $1.3 billion agency, rechristened Bozell, could celebrate with seafood from the Long John Silver's fast-food chain, reeled in by its Dallas office late last week.

The volatile assignment from Jerrico moved from the Richards Group after just seven months, and ends Bozell's two-year hunt for a major fast-food account.

Bozell was assigned both creative and media placement; Richards had handled broadcast creative and some media buying, while the rest of the buying was handled by MARC, Pittsburgh.

The win gives the agency a needed boost. Executives acknowledged New York-based Bozell's first year of independence has been tough, with client losses, decreased spending and a debt burden caused by its $133 million buyback from Lorimar Telepictures Corp.

RJR Nabisco and Unilever's Thomas J. Lipton Inc. pulled more than $20 million in business away from the agency last year, and the recent sale of Faberge to Unilever threatens to end another relationship, though the agency has had no indication of that happening.

Apparently Bozell, which has hungered for a fast-food account since it resigned $20 million in regional McDonald's Corp. co-op business two years ago, believed it might have bigger fish to fry than Jerrico.

Sources say Bozell initially wasn't interested when Jerrico contacted the shops that had been finalists during its review last year, when the business went to Richards. Bozell and Campbell-Mithun-Esty, Chicago, were the other finalists at that time.

Campbell-Mithun-Esty didn't pursue Jerrico this time because of a conflict with the Fuddrucker's account its New York office had just picked up (AA, Feb. 20).

These sources say Bozell

(Continued on Page 63)

Deflated 'Enquirer'

$400M sale price is more like $200M

By PATRICK REILLY

The auctioning of the *National Enquirer* may not be the media gold rush it's been hyped to be.

Executives close to the bidding for the family-owned weekly supermarket tabloid and its sister publication, *Weekly World News*, said their selling price will be in the $200 million to $250 million range, rather than the $400 million to $500 million price tag that's been reported.

"The $400 million being talked about is a crazy price," said an overseas-based bidder who asked not to be identified. "The real price will be closer to $200 million."

The winning bidder is expected to be announced in mid-April by the Blackstone Group, a private New York investment bank retained to assist in the sale. Blackstone Group, however, wouldn't confirm the date.

Blackstone is being assisted in the *Enquirer* sale by Veronis, Suhler & Associates, the New York investment banker that handled the $3 billion sale of Triangle Publications to Rupert Murdoch's News Corp. and other major media deals.

Both investment and publishing sources involved in the sale have said whatever price is paid, the new owners believe they can cut costs at both publications. Deceased owner Generoso Pope Jr., the man who bought the *Enquirer* in 1952 for $20,000, was known for paying some of the highest journalist salaries in the country and for caring little for cost when pursuing the *Enquirer's* trademark sensationalist and titillating stories.

Trustees for Mr. Pope's estate put the *Enquirer* and the smaller though equally brash *Weekly World News* up for sale in December. "It's now down to five serious, aggressive bidders," said an investment banker who's representing one suitor and who asked not to be identified.

They include U.K. media baron

(Continued on Page 61)

BDDP's bid for Boase 'inadequate'

By LAUREL WENTZ

LONDON—Paris-based BDDP Group made a formal bid for the U.K.'s Boase Massimi Pollitt last week and then launched a letter-writing campaign to BMP's clients and staff.

Sources say BDDP has a good chance of acquiring BMP—but not at the bid price of 300 pence per share, valuing the company at $175 million.

M. Boase

J. Boulet

Analysts predict BDDP will need to raise its bid to 340 pence or 350 pence per share to win over BMP shareholders, making the debt-financed deal extremely expensive.

On Friday, BMP's stock price closed at 310 pence, 10 pence above the offer price.

"What they're offering is inadequate, and they need to go up a lot further," said James Best, BMP's corporate finance director.

However, Robert Fleming Asset Management, a major BMP shareholder and a division of Robert Fleming & Co., the merchant bank advising BMP, sold some of its BMP stock at 300 pence on the day of the bid.

Brian Sturgess, an analyst at Barclays de Zoete Wedd, is advising clients to hold their BMP stock.

"We believe that price will determine the outcome of this bid," he said.

Some analysts are concerned that privately owned BDDP will have to use virtually all BMP's profits to service the debt if the bid succeeds. BMP is expected to make pretax profits of about $22 million for the fiscal year ended March 31.

Fallowbush, the company through which BDDP is making its bid, has a $135 million loan facility from U.K. bank Charterhouse, France's Caisse Nationale de Credit Agricole and the Industrial Bank of Japan.

There's an additional $25 million intermediate loan available, and existing BDDP shareholders are putting up $42 million of new equity.

BDDP accumulated a 10.5% stake in BMP before launching the bid, which was immediately rejected by BMP's board as "unwelcome, derisory and wholly unacceptable."

Ironically, BMP Chairman Martin Boase, who has com-

(Continued on Page 62)

Highlights

NEWS

4 Rice bran meets oat bran
With the oat bran trend reaching frenzied proportions, a new battle may be brewing as rice bran enters the ring.

6 Audi rebuilds
Burned by allegations of unintended acceleration, Audi gives the gas to an aggressive marketing campaign that may include lawsuits.

18 Making America better
Bloom Cos.' Tony Wainwright continues his series of interviews with America's top executives.

28 Time again for technology
Watchmakers Seiko and Citizen are turning back to an emphasis on technology, after three years of pushing lifestyles.

30 Ad deductibility safe—for now
House heavyweight Thomas Downey says Congress won't tinker with the tax deductibility of ad expenditures.

40 Generic furniture?
Lulled by the success of other generic ad campaigns, furniture marketers are seeking to boost buying interest through a $20 million effort.

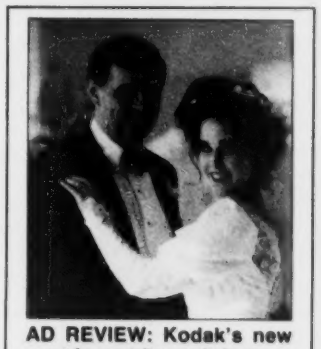
42 Ad Age's 5 radio ads finalists
AD AGE reveals its top five picks for the Best Radio Commercial of 1988.

44 Seagram lands 'Super Reggie'
Jos. E. Seagram & Sons and Siebel/Mohr bagged the top award for the most outstanding sales promotion campaign of 1988.

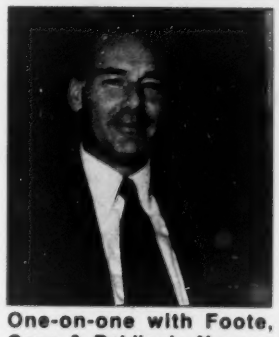
53 It's 1-2-3 strikes—you win!
Interactive TV teams with Major League Baseball this fall to give fans time at bat.

INTERNATIONAL

34 Sleeping giant P&G awakes
On the heels of its success in Japan, Procter & Gamble Co. is showing signs of activity in its long-neglected South Pacific unit, withdrawing some products and building up others.



AD REVIEW: Kodak's new spot is as trite as it is wonderful. P. 64



One-on-one with Foote, Cone & Belding's Norman Brown. P. 12.

Departments

Brady	36
Brady's Bunch	30
Calendar	52
Classifieds	49
Direct Marketing	38
Editorials	16
For the Record	57
Global Gallery	35
Letters	20
MediaWorks	48
People	47
PeopleWorks	46
Photo Review	54
Sales Promotion	44
Slices	36

Pitching ace

PepsiCo drafts Hershiser

By PATRICIA WINTERS

Orel Hershiser, the highest-paid player in Major League Baseball, will soon be pitching pizza and Pepsi.

In late spring, viewers will see the clean-cut, 31-year-old Los Angeles Dodgers star pitching PepsiCo's Pizza Hut in a national promotion called "Relief Pitcher."

In TV and print ads, he will promote the purchase of a plastic Pizza Hut pitcher that the restaurant will refill free with Pepsi-Cola for a limited time, sources say.

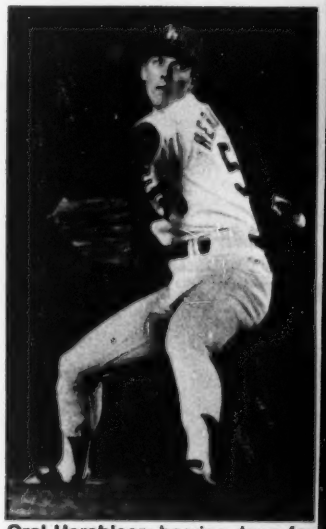
Pizza Hut runs a "pitcher" promotion annually, but getting a star like Mr. Hershiser is a major coup.

Both Pizza Hut and Pepsi declined comment on the promotion.

As baseball season opens this week, the star pitcher is emerging as the Majors' star pitchman with $1.5 million in endorsement fees so far.

Kirk Wood, exec VP at Leader Enterprises, Orlando, Fla., which represents Mr. Hershiser, said the 1988 World Series Most Valuable Player has been virtually deluged with offers since the Dodgers won the series.

Mr. Hershiser also likes to sign with products he actually uses, Mr. Wood said. "He has turned down a lot of opportunities; he wants to pick the right ones," Mr. Wood said. "Pepsi came to him early, and he is a big Pepsi drinker."



Orel Hershiser: bearing down for PepsiCo's Pizza Hut.

Mr. Hershiser also uses Johnson &

(Continued on Page 61)

Vol. 60, No. 15—ADVERTISING AGE (ISSN 0001-8899) is published weekly except semiweekly the fourth week in March and the fourth week in September at 740 Rush Street, Chicago, Ill. 60611-2590. Second-class postage paid at Chicago and additional mailing offices. Send address changes to ADVERTISING AGE, Circulation Department, 965 E. Jefferson, Detroit, Mich. 48207. $2.00 a copy, $74 a year, $124 two years. Add $115 per year for air delivery to Europe & Middle East. Add $49 for surface mail to all other foreign countries. WILLIAM STRONG, VP-circulation; JOHN HUFFMAN, fulfillment director; DAVE KELLEY, circulation manager. Four weeks' notice required for change of address. Address all subscription correspondence to Circulation Department, Advertising Age, 965 E. Jefferson, Detroit, Mich. 48207 1-800-992-9970. Microfilm copies are available from University Microfilms, 300 N. Zeeb Rd., Ann Arbor, Mich. 48103. Microfiche copies are available from Bell & Howell, Micro Photo Division, Old Mansfield Rd., Wooster, O. 44691. AD AGE is available for electronic retrieval on the NEXIS® Service, Mead Data Central, Inc., P.O. Box 933, Dayton, O. 45402 (800 227-4908).

AIDS SURVEY

AIDS-at-work issue grows

(Continued from Cover)

themselves in legal jeopardy, just 10% of those who responded to the survey said their companies have formal policies on dealing with AIDS.

Results of the AD AGE survey are based on 262 completed questionnaires from 2,000 mailed to senior executives from agencies, media companies and marketers nationwide.

The U.S. Centers for Disease Control, which reports that 62% of AIDS cases are transmitted through male homosexual or bisexual activity, estimates that 39,000 AIDS cases were diagnosed in the U.S. last year. The CDC projects that number will jump 39% to 54,000 in 1989 and hit 114,000 by 1992.

That means AIDS will become a bigger factor in the workplace.

"Workers and management alike will be susceptible to fear and panic," said Al Gini, an associate professor of philosophy at Loyola University's Institute of Industrial Relations

More about AIDS—Pages 36, 40.

in Chicago. Mr. Gini, who teaches business ethics, has lectured frequently on AIDS and helped develop the AD AGE survey.

The survey results suggest that employing a person with AIDS isn't the disruptive experience some believe it might be.

The risks of "contracting AIDS in the workplace are lower than the [health] risks you take driving to work," said Jerrold E. DeWitt, account supervisor at Taylor Brown Smith & Perrault, Houston.

"If you're not in the copy room having intercourse . . . or sharing a needle, I just don't think you're going to get it," said Mr. DeWitt, whose agency participated in the survey.

When asked whether they'd allow a worker who had tested positive for the AIDS virus, but showed no symptoms of the disease, to remain on the job, 91% of those who've employed a person with AIDS said yes, compared with 63% of those who hadn't.

If an employee exhibited AIDS symptoms, fewer respondents in both groups said they'd retain the employee, falling to 74% of those who'd lost an employee to AIDS and 47% of those who hadn't.

"Anyone who has AIDS, whether they are homosexual or not . . . should be treated equally, absolutely, until they are too ill to work," William Paul, publisher of Hawaii Press Newspapers said in a later phone interview.

In the survey, 83% of those who've employed a person with AIDS agree with current medical opinion that AIDS is transmitted in three ways: through sexual contact, exposure to infected blood or blood components, or prenatally from a mother to her unborn child.

By comparison, just 54% of those who haven't lost employees to AIDS agreed that AIDS is transmitted only in those ways.

A majority of the executives polled agreed that AIDS warrants greater attention and an increased public education effort.

"If you get by the first barrier, the recognition of some problem, that's a good step. But from there, what you have to do is hammer home a message," said Steve Gold, creative director at Fresh Perspectives, Armonk, N.Y.

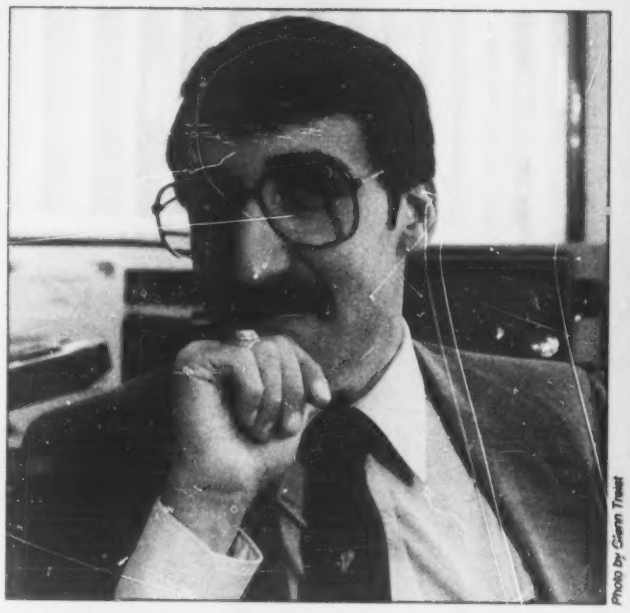


Photo by Glenn Treat

"Maybe what has been published is everything they know so far [about AIDS], but what about the unknowns?"

—Martin R. Ballard
Martin-Ballard Marketing

Photo by Richard Carson

"If you're not in the copy room having intercourse . . . or sharing a needle, I just don't think you're going to get it."

—Jerrold E. DeWitt
Taylor Brown Smith & Perrault

"I look at what Nancy Reagan did for drugs. If somebody of that stature picks a subject the [number] of people who rally behind you . . . is just phenomenal. That hasn't seemed to happen in this particular project," he said.

Just 13% of those executives who've lost an employee to AIDS believe the presence of an employee with AIDS at work might cause other employees to leave.

But 48% of those who haven't employed a person with AIDS said their co-workers might leave the company if a fellow employee got AIDS.

Some ad work can place workers at risk if a co-worker has AIDS, said Fresh Perspectives' Mr. Gold.

"Production people get cut on a weekly basis from razor blades, from knives, from all the mechanical paste-up equipment that's handled," he said. And whether "that risk is small, there still would be a concern that would be even worse than the risk. In the type of work that we do, that would be a problem."

Knowing the facts is crucial, said Juan Antonio Agostini, president-creative director of Taller Creativo, San Juan, Puerto Rico.

"People should be aware of what will put them at risk and of the protection they can provide themselves," Mr. Agostini said. "But they should also be aware that we've been subject to a great deal of exaggeration by hysterical people."

If an employee refuses to work with a person with AIDS after being given counseling and formal warnings, should that employee be fired?

Those who've lost an employee to AIDS are less tolerant of such workers: 39% said such employees should be fired, compared with 23% of those who haven't lost an employee to AIDS.

So far, 87,188 people have been diagnosed with AIDS since the disease first became prevalent in 1981. Of that total, 49,976, or 57%, have died. However, Chuck Falus, a CDC spokesman, said AIDS is "almost always" fatal. Between 1 million and 1.5 million people have the AIDS virus without knowing it, he said.

"There is a percentage of the population that's afraid and wants nothing to do with it," said David Perkins, advertising director of the *The Coffeyville* (Kan.) *Journal*. "There is also a percentage of the population . . . who don't trust what the government tells [them]," said Mr. Perkins, a survey respondent.

"There are 'certain ways' or 'only ways' that you can contract AIDS, according to what has been published," said Martin R. Ballard, president of Martin-Ballard Marketing, Hazel Park, Mich. "Whether that is absolute, I don't know. Maybe what has been published *is* everything they know so far, but what about the unknowns?"

One person who answered the survey, a copy chief for a major New York department store who asked not to be named, said she's seen eight co-workers die of AIDS during the past five years.

Though most respondents who've employed a person with AIDS saw little fear or irrational behavior among other employees, the copy chief said her healthy co-workers "acted differently" once the disease "hit home."

Those people "who know intellectually" that AIDS isn't transmitted through casual contact "emotionally don't trust" that information, she said.

When the last person at her company "was diagnosed with AIDS, it was as if he were moved to a leper colony," she said. "Out of sight, out of danger."

At Gannett Co., the AIDS policy is stated upfront. "Before an incidence of [AIDS] occurred in one of our workplaces, we wanted our employees to plainly understand what our position was, that we would not make accommodations for people who were concerned about working next to someone with AIDS because there is no evidence that transmittal in normal workplace conditions takes place," said Madelyn Jennings, senior VP-personnel.

Gannett supplies each of its affiliates with an educational videotape and pamphlet package. Personnel directors also are advised to bring in local AIDS experts to answer any employees' questions about the disease.

However, the idea of establishing a formal

(Continued on Page 27)

Education tools help companies cope

By ARSENIO OLOROSO JR.

CHICAGO—Tom Bramson, a copywriter at a medium-size ad agency here, has discovered he has AIDS.

Dazed and depressed by the news, he informs his boss, touching off a crisis. Co-workers are awkward around Mr. Bramson; some refuse to work with him.

One colleague resigns.

How will management halt rising panic over the agency's first case of AIDS?

More important, how will the company, as an employer, balance its obligations to Mr. Bramson against its responsibility to protect its other employees?

The stricken copywriter and his agency co-workers are fictional characters in a videotape produced by Dartnell Corp., a publisher of employee training manuals.

The Dartnell videotape, titled "One of Our Own," is the cornerstone of an AIDS employee-education package designed to help dissolve fear among workers while informing management of legal rights and responsibilities.

Businesses seeking answers to the dilemma of AIDS will increasingly rely on prepackaged educational materials such as the Dartnell video, while also consulting outside personnel experts.

"The small company does not have the resources to develop AIDS programs on its own," said Nicholas Geannopulos, exec VP at Dartnell. "But education is the only way to get people to deal with the issue until medicine finds a way to treat the disease."

The Dartnell AIDS package, which has been on the market about a year, also includes pamphlets with titles such as "What a Manager Should Know About AIDS in the Workplace," "Ten Myths About AIDS" and "When a Co-worker has AIDS."

Companies currently using the Dartnell package include Quaker Oats Co., Wilson Sporting Goods and Deere & Co.

Julie Hanson, manager of health services at Quaker, said the videotape and printed materials are part of the company's wellness program.

She explained that the company's approach to AIDS in the workplace is "the same as any catastrophic illness."

"A company, if it's going to do the job right, first has to have a policy on AIDS. That's foremost and vital in order to protect itself," Mr. Geannopulos said.

At the same time, "Employers want to know, 'How can this [AIDS] affect my business? What are my legal boundaries?' " said personnel consultant Michael Berke.

The basic advice Mr. Berke gives to his clients regarding a worker with AIDS is: "If an employee can do the work, then he is qualified to hold his job."

Mr. Oloroso is associate editor of Crain's Chicago Business.

AIDS SURVEY

Why formal AIDS policy is important

Only a handful of respondents to ADVERTISING AGE's survey on AIDS said their companies have developed policies for dealing with the disease or plan to adopt policies soon. That could be a mistake.

The survey indicated companies that have lost employees to AIDS are more likely to have formal policies than those that haven't—35% vs. 8%.

Slightly more than 8% of all those surveyed said their companies were planning a formal AIDS policy.

About half those who said their companies didn't have an AIDS policy said they believe their catastrophic insurance plans can cover AIDS-related costs.

Nearly 56% of all the respondents said they didn't believe a uniform AIDS policy was possible; they said people with AIDS should be handled on a case-by-case basis.

But that may not be enough. American Civil Liberties Union officials who handle AIDS discrimination cases indicated companies may be violating the civil rights of people with AIDS by not treating them the way both federal and state laws treat them —as handicapped people.

The ACLU, which has a heavy load of workplace-related AIDS cases, has been successful in getting AIDS victims reinstated in their jobs through negotiation with employers. But lawyers expect AIDS-related cases to start hitting the courts soon and agree that if a company has a formal AIDS policy, that will help clarify responsibilities in case of a lawsuit.

Having a specific program on AIDS also can help bring down insurance rates.

"If employers offer information on AIDS prevention, they can help themselves prevent AIDS insurance costs they might otherwise have to incur," said Suzanne Mulstein, director of policy development for the Blue Cross & Blue Shield Association. #

—Thomas J. Tyrer and Arsenio Oloroso Jr.

Survey

(Continued from Page 22)

AIDS policy seemed too restrictive to many AD AGE survey respondents who sought more flexibility in dealing with AIDS in the workplace.

About 36% of the respondents said a formal policy might be too restrictive, and 55% said each AIDS case is different and must be handled on an individual basis.

"Maybe someone could only work part time. We'd reduce their pay to part time and let them continue to work as long as they could," said Pat DuBoux, director of personnel administration at DDB Needham Worldwide, Chicago. "Or we'd allow them to *not* reduce their pay but take the rest of the time as medical leave."

Ms. DuBoux is working on an AIDS policy for the agency.

"Our policy will be more of a philosophy," she said, "and then as each situation comes up, we would figure out what would be the best thing to do." #

Kevin Brown did the survey work for this story.

How AIDS views differ in business world

The marketing, media and agency community seems less inclined than general businessmen to believe the AIDS threat has been blown out of proportion.

That emerges from the results of AIDS surveys by four Crain Communications Inc. publications—*Crain's Chicago Business*, *Crain's Cleveland Business*, *Crain's Detroit Business* and *Crain's New York Business*—and a similar ADVERTISING AGE survey.

The four city business magazines distributed a total of 4,000 surveys; 732 were returned completed.

About 35% of the business executives questioned by the city business weeklies said the media have given AIDS more coverage than necessary, compared with 26% of the executives surveyed by AA.

Marketing, media and advertising companies also hold a decided edge over the general business community in embracing formal AIDS policies.

While slightly more than 10% of AA's respondents said their companies have AIDS policies, 6.1% of those surveyed by the city business magazines said their companies did.

When asked whether they were afraid an employee with AIDS would increase the costs of their company's medical coverage, 57% of those representing general business said yes. About 47% of the executives surveyed by AA answered the same. #

—Thomas J. Tyrer

Our Readers
Have The Power To
Close The Deal.
Modern Healthcare focuses on healthcare's decision-makers. We're edited for and circulated to the financial, purchasing and operations executives who have the power to close the deal.
But Modern Healthcare doesn't just reach these top people. We're *read* by them.
As the only weekly in the field, our news is hotter. And it's about the hottest topics in healthcare management. We have the largest editorial staff in healthcare publishing. We're the book best-read by hospital general management.*
It's no surprise that we carry the most advertising in the field.
Let us help you sell the movers and shakers in healthcare. Find out how by calling Leonidas Nelson, Advertising Sales Director, at 312/649-5311.
Modern Healthcare
We Give You The Power
*PERQ FOCUS Hospital Management Study, December 1988

DIRECT MARKETING

Red Letter cut from coupon war

By ALISON FAHEY

Red Letter is the latest casualty in the war between direct-mail couponing and free standing inserts.

Faced with fierce competition from deeply discounted FSIs and steep third-class postage rate hikes, the direct-mail couponing industry in 1988 saw its toughest year ever, industry experts say.

As a result, Red Letter, the nation's second-largest co-op direct-mail couponing company, is retreating.

"We've decided to cease being involved in publishing direct-mail co-ops," said Peter Kunz, senior VP of Metromail Corp., which owns Red Letter.

Mr. Kunz said that Metromail and parent R.R. Donnelley & Sons may execute co-op mailings in 1990. Such an agreement might involve licensing the Red Letter name.

Red Letter, which had been looking for a buyer, was in financial trouble, say industry sources, who noted thin envelopes in mailings and severe price slashing.

Mr. Kunz declined to elaborate on the decision to stop distribution or Red Letter's financial performance.

The decision to cancel this year's scheduled June mailing to 18 million households targeting young adults left RJR Nabisco in the lurch (AA, March 27).

"It's one of the most irresponsible decisions we've ever seen," said Terry Cunningham, media services manager at RJR Nabisco. "There's no comparable direct-mail vehicle that we can get into at this time."

RJR Nabisco said it's negotiating a settlement with Donnelley.

Red Letter's demise is a boost to industry leader Carol Wright, owned by Donnelley Marketing. (The two parent companies aren't related.)

Carol Wright already is picking up Red Letter's advertiser fallout. Lever Bros., the only other advertiser in Red Letter's canceled June mailing, found a category-exclusive slot in a Carol Wright package, said one Lever executive. Carol Wright was unable to accommodate RJR Nabisco because of a conflict (AA, March 27).

In the absence of Red Letter, Carol Wright is planning to hike prices.

"Our rates will increase, but we must remain competitive with FSIs. . . . That's where we have to do battle," said Dick Vincent, director of communications.

FSIs garnered 77.3% of the total 221.7 billion coupons distributed in 1988, compared with direct mail's 5% share, Manufacturers Coupon Control Center reported.

The average cost per thousand for an FSI is about $8 per page, almost double the cost 18 months ago.

To stay competitive, Carol Wright is reducing its base audience to 30 million from 35 million households; revamping its audience selection process that identifies "promotionally responsive" consumers (instead of "heavy users"); and redefining markets to include TV reach, not just newspaper metropolitan areas.

But as FSI prices creep back up, direct mailers see better times ahead in 1989.

News America Publishing's FSI division—which houses Quad Marketing and Product Movers, the No. 2 and No. 3 FSI companies in the $700 million-plus category—cut 20 insertion dates from its calendar to reduce oversupply, boost prices and increase profitability (AA, Dec. 12). #

Laurie Freeman in Washington contributed to this story.

HOW COUPONS ARE DISTRIBUTED

The percentage of coupons distributed by free standing inserts continues to climb at the expense of all other coupon media.

Medium	1985	1986	1987	1988
Free standing insert	59.9%	68.0%	72.7%	77.3%
Newspaper/ROP	12.2	7.4	5.9	5.4
Newspaper/Co-op	8.0	7.1	4.6	2.4
Direct mail	4.4	4.0	5.3	5.0
In/on pack	4.8	5.8	5.3	5.2
Magazines	8.6	6.5	3.7	2.4
Other	2.1	1.2	2.5	2.3

Source: Manufacturers Coupon Control Center

Watch

(Continued from Page 28)

of national magazines and in major-market newspapers introducing a new 12-year warranty program. HDM handles.

The theme "Craftsmanship so fine it's warrantied until the 21st century" will be used in future quality-oriented advertising, said Carol Shainswit, Citizen's director of advertising.

The new strategy reflects the winding down of the fashion watch craze, an HDM spokeswoman said.

The Citizen and Citizen Elegance lines get a separate print campaign from Young & Rubicam that also centers on the warranty.

The midprice marketer in May will also resurrect its TV campaign, "A Quarter to 9," for the Citizen lines. Levine, Huntley, Schmidt & Beaver created the original spot.

The :30 will carry a new tagline related to the warranty.

Timex Corp. is one watch marketer that's sticking with fashion.

"We believe the color plastic watch business has dropped significantly over the past 18 months. However, color in combination with some classic styling is still a viable contender in the 1989 marketplace," said Ron Sok, Timex advertising and public relations manager.

Timex this year is spending $2.5 million on its men's and women's fashion watches, the bulk of which is going into a spring print campaign.

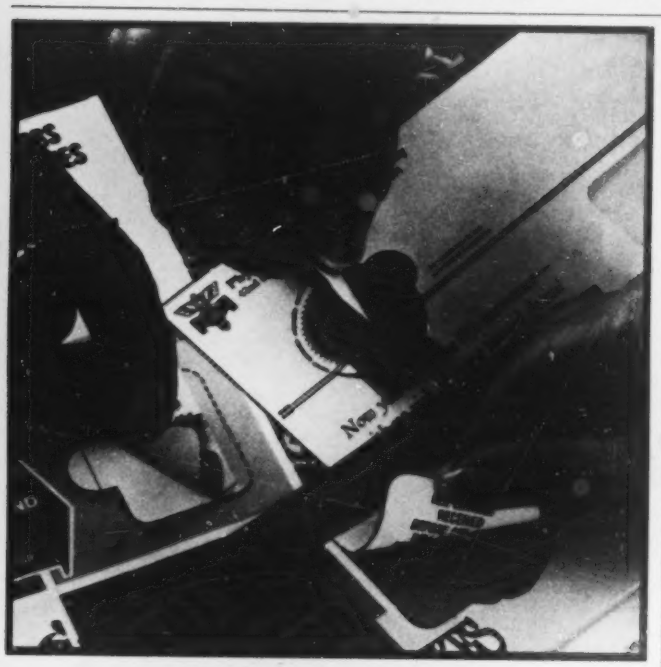
The company's women's fashion line, BBB, gets two new ads in May issues of such magazines as *New Woman* and *Elle*. The page ads, themed "Fresh classics" and "City slickers," were created in-house.

For its men's fashion watch line, Carriage Collection, Timex is touting fashion with a twist.

The ads will carry Timex's torture test TV theme, "It takes a licking and keeps on ticking." Fallon McElligott, Minneapolis, handles.

As evidence of its commitment to fashion, and in a continuing effort to shed its staid, drugstore-brand image, Timex is also increasing distribution of its fashion watches into upscale department stores, Mr. Sok said.

Timex is tops in the mass-market watch segment with about a 50% share. The company's 1988 sales passed $600 million. #



How busied fingers increase direct mail response.

Tension "Strip-'n-Seal" pressure-sensitive devices put fingers in motion, involving your prospect and clinching that positive response to your offer.

These fun little involvers can be the response trigger on your direct mail package. Size and shape of your "involver" is as flexible as your creative use of the Tension feature.

For more openings — more response per thousand, put prospect's fingers in motion. Write for free "Busied Fingers" idea kit.

Making envelopes for America since 1886.

Please send me Tension's "Busied Fingers" idea kit.

Name _____ Title _____

Firm Name _____

Address _____

City/State/Zip _____

Phone _____ Type of Business _____

Attach coupon to letterhead. Sorry, no foreign inquiries. 442R

TENSION ENVELOPE CORP.

11 Plants Nationwide

815 E. 19th St., Kansas City, MO 64108

1992

will change the way you do business. Forever.

Presenting 1992, The Challenge Worldwide. A conference by The International Advertising Association, New York Chapter, and Advertising Age.

June 6th and 7th, the Plaza Hotel, New York City

Find out how the 1992 rulings will change the way you do business in Europe, in the United States and everywhere else in the world. The conference will discuss competition, world trade and strategies on how to prepare for the changes that will begin to take place in 1992.

Then, top it all off by joining us at the I.A.A./NY Dinner Dance on the night of June 7, 1989.

For more information, look in your mailbox for registration details or call Advertising Age at 1-800-233-3435.